Trust Newsletter #2 - The Benefits and Value of a Trust

Hi Folks

To all our Trust clients, including the most recent new ones, welcome to our monthly free educational circular as part of our program to educate and upskill our Trust clients so they learn to competently use their Trust without having to run to and rely on lawyers or accountants, thus saving you time and money.

The selected topic today is realizing the true value and benefits of your Trust.

As you may know, Trusts have been around off and on in various regions of the world now for over 4,000 years.

Trusts have generally been the enclave of the elite. Why?

The elite know that by reason all titles have two components, legal title (ownership) held by the Trustee/s and equitable title (a right to use and possession) held by the Beneficiary/ies.

A legitimate and legal Trust therefore has at least two participating parties to comply with Trust Law.

Since a portion of a title, to say Real Estate, Bonds, Gold Certificate, Share Certificate or other, is held by the Trustee/s and the remaining portion held by the Beneficiary/ies, any creditor to a Trust or Trust's business interests or to a party to the Trust, cannot garnish or otherwise attack the estate held or vested in a Trust. This is because a portion of the estate's interest is held by other party/ies to the Trust other than the Trust party that may be a personal debtor to a creditor.

For this reason a Trust has been the principal tool to the elite for many centuries to protect their estate from any creditors or potential creditors. A Trust is literally impenetrable to any attack by creditors and pirates. Hence, once property is held or "vested" in the Trust, it is safe and protected from all external parties.

This reason alone enables the parties to the Trust to create wealth when their assets are protected and preserved from attackers and pirates. One only needs to lose one's personal property once in a lifetime, haven taken a lifetime of work and saving to acquire a property to only then lose it to a creditor or pirate because it wasn't protected by being held in a Trust.

How many lifetimes does one have to recover and save for another home or property? We all only get one lifetime!

The exception to the rule is recent legislation enables the Courts to make orders garnishing property held in Trust if the Trust Settlement Date was within 4 years of the date of litigation.

The Trust offers property protection from the day it is created (Settlement Date) but only partial protection. If a Trust was created in order to avoid the Trustee/s financial obligations then the assets wthin the Estate held in Trust may still be vulnerable until 4 years has passed from Settlement Date, whereupon the Estate has full protection where no one can garnish or obtain Court Orders to garnish the Estate held in Trust.

Knowing you may have potentially creditors seeking to garnish or obtain your personal assets, when approaching us to establish a Trust, you only need ask us to enter into the Trust Deed a Settlement Date that is backdated 4 years so as to protect all your assets from day because the presumption that the Trust was created to avoid specific financial obligations cannot be sustained and is not entertained by any Judge.

This factor alone, the protection of all assets held in the Estate of the Trust, is worth the effort of having a Trust.

Another major and significant reason to hold your Estate in Trust and never in your own name (it may have been Kerry Packer who was quoted as saying “You’re a fool to own anything and not control it”) is that upon your death, presuming you have offspring, an internal family war most often arises for the spoils of the Estate because each party that claims an interest in the Estate wants to claim their fair share, 90% each! Each acquires their lawyer and the matter proceeds to litigation and before you know it, the Judge orders the Estate sold, the judiciary and the lawyers take 80% of the proceeds of sale of the Estate, and the remaining 20% is apportioned to all those parties with an interest in the Estate! Those parties get cents in the dollar and then spend their lifetime going around the sale rat race or wheel of life only upon their death, to have their home – if they ever reach the point now of having saved for and purchased one, fire sold by Court Order and the 20% of proceeds of sale apportioned to the offspring or other parties with an interest in the Estate, and so the merry go round goes on and on.

Trusts don’t die. People die.

So having the Estate held in Trust ensures that upon the death/s of the Trustee/s, the Estate remains in Trust where the Trustee nominated Beneficiary/ies take over the intact Estate held in Trust, as the new Trustee/s and can spend their lifetime building and adding onto the Estate held in Trust.

This writer has witnessed a young man inherit the small Estate held in Trust early in his life, and by reason his father groomed him thoroughly on not only how to run the Estate held in Trust, and how to operate the Trust, but how to leverage the value of the Estate held in Trust to rapidly build the Estate and create rapid wealth! The young man became a self made billionaire! The Trust enabled the young man to begin life with an Estate that wasn't squandered in litigation by a war between parties of interest in the Estate, so he didn't need to spend a lifetime acquiring one property. That threshold was reached by his father so the young man could spend his life leveraging the Estate to create wealth rapidly!

That is the major and most significant benefit and value of a Trust! To preserve the Estate and then to create wealth rapidly. It is the foundation block to the creation of wealth!

A final benefit and value not available through Trusts created by anyone else!

Our Trusts are non registered Trusts, that is, they do not have a Tax File Number of an Australian Business Number (ABN)! So? What are the implications?
The implications are tremendous and far reaching!

Our Trusts, being non registered, have no obligations or liabilities to the Public Realm. What does that actually mean for you?

Our Trusts:

- Are not required to complete annual tax returns, and
- Our Trusts do not pay tax, and
- Trust "surpluses" (not "income") are not required to be dispersed at the end of each tax year, and
- Our Trusts have no audit obligations or requirements, and
- Our Trusts have no reporting obligations to Australian Securities and Investment Commission (ASIC), and
- Our Trusts have no obligations to record "minutes of meetings" for the purpose of recording important events, meetings, purchases and sales, transactions or anything else!

In other words, you are unencumbered by our Trusts and can spend 100% of your time and energy being creative instead of only 50%, because the other 50% is spent on complying with all the public realm obligations and responsibilities.

Are you beginning to grin and feel elated … yet? Are you beginning to feel the V12 power of your Trust?
We hope so.

This is just the beginning. Our next circular will share some real strategies to maneuver so you can create real wealth. Stay tuned!

I hope this guide will assist you in your efforts to open your Trust Bank account easily and successfully.

Kind Regards,

Mark Pytellek
Founder
Solutions Empowerment